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CONSEQUENCES OF THE NEXT WAR

by FERDINAND LUNDBERG

NO matter how many neutrality bills and pious resolutions are passed by Congress and no matter how many anti-war demonstrations are staged, the rôle of the United States in the next war, and the effect of the war upon it, will be determined by the world economic system of which the nation is a significant unit.

The immediate effects in this country of the next European war will probably be quite different from those in 1914 when all markets and exchanges were deranged under the impact of heavy selling. The selling was occasioned by the endeavor to repatriate funds. The major markets and exchanges of the world were all closed. In the United States they remained closed for several months until a new financial perspective was achieved. When the American markets reopened a period of trade confusion and stagnation prevailed well into 1915. Nobody knew how long the war would last. Uncertainty was the keynote until the Allies began placing heavy war orders on the basis of a huge credit arranged through J. P. Morgan & Company.

Everybody is familiar with the disastrous long-term effects of the last European war. Although the United States came in for an unprecedented industrial and financial development and obtained a strong foothold in the South American market, in the end it, too, was crushed economically, for the years since 1929 have been consequences of the war.

Predicting the economic consequences of the next war really requires far less guess work than many people think. Most of the consequences of the last war were foretold by such economists, political theorists and sociologists as H. N. Brailsford, J. A. Hobson, Irving Fisher, Frederick Engels, Leon Trotsky, and Lenin. The Bulletin of the National City Bank for September, 1914, in a moment of frankness, also forecast the economic disaster that followed. Then there was the extremely brilliant "The Economic Consequences of the Peace," by John Maynard Keynes. It is, therefore, through no lack of insight that one finds so much reticence

current in discussions about the probable effects of the next war. The public which may be called upon to expend its blood and money in another holocaust is being guarded from knowledge of its fate.

On the eve of the next European war, as I have said, the world outlook is distinctly different from what it was in 1914. The international trade and credit system is bogged down. Large sections of the world are still prostrated from the last carnage. Millions of people are unemployed. In 1914 the world was strong, prosperous, and healthy.

Unlike 1914, again, the initial economic effects in the United States of a renewed European conflict will probably be "favorable," if rising prices and heavier movements of goods are favorably regarded, as they usually are. At first there will undoubtedly be a measurable increase in employment, giving the war some popular support.

There will be no large-scale dumping of securities by Europeans on the American market chiefly because Europeans hold very few securities nowadays, but also because Europeans have come to consider the relatively isolated United States as a safe repository for their investments. The financing of the war will depend on New York to a very considerable extent from the very beginning, and there will, therefore, be no movement of funds away from New York. On the contrary, there might possibly be a heavy transfer of balances to New York for safety and in anticipation of later war purchases. This will be reflected in a sharp advance in the dollar quotation.

While the demand for all goods in the United States would increase, with emphasis on the heavy industries, and unemployment would diminish very perceptibly, the boom would probably not be frenzied except perhaps in the first stages. The modification of the immediate boom which might otherwise be expected to attain tremendous proportions would be wrought by the shifting of long-term holdings by trust funds, etc., in anticipation of later adverse developments such as I shall discuss in a moment.

Another reason why there will be no immediate boom of terrific proportions such as amateur speculators anticipate is that European credit today is an unknown quantity. It is not in quite as bad shape as is popularly supposed, and it could, in an emergency, be revived to a very considerable extent, but the limits of European credit can now at least be seen. Since the general default on her obligations, particularly on her war debts to the United States, the moral as well as financial credit of Europe has been at a low ebb. But there are many ways in which Europe could call resources into action. Moreover, credit is always relative to the situation underlying it. If "safe" outlets are denied it, greater risks are taken. That is all.

There is no reason whatever for supposing that the "bad" condition of European credit will either delay or prevent the war. As well-known a financial writer as John T. Flynn, adviser to the Senate committee investigating the munitions racket, has given utterance to this invalid theory. France and England are both rich in credit resources consisting of gold, international securities, and colonial resources. The fact that the last two items are already pledged to the limit for the account of their citizens matters not at all. It is a simple matter of war financing to "purchase" such properties with newly printed money, pledging the properties in New York against war credits. German credit is, of course, virtually non-existent today, but it could easily be revived, especially if assistance came from London. Hjal-

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HOW MY WIFE GOT THAT WAY

by HOWARD HAYES

DO you think she'll be all right now, Doc? Will she be okay when she wakes up? Let's go in the kitchen where we can talk. I'll tell you all how it happened and then maybe you can give me some advice, though God knows it isn't advice we need, Doc, it's money. I mean advice is okay, your advice is, but us people living on relief get too much advice and not enough anything else. You even said that yourself.

Here, Doc, sit over here, this chair ain't so wobbly. You want anything, a drink of water or anything? Okay. You've been a friend of ours ever since the little girl died and we certainly appreciate it. I mean you know us long enough so you know my wife ain't crazy or anything like that. She's just emotional, that's all. Doc, she and me, we're pals. We been through everything together. We been taking it equal on the chin ever since this damn depression began. When she got one of those guns in her hands and got to thinking what a hell of a mess we are in, and the country too, the relief going to hell and everything, well, she just lost her head.

But I tell you, Doc, you can't understand it unless you got an idea what it's like living on relief. I mean you got to appreciate that first. You know my wife and me are young people yet, Doc. We still got some hopes in the world. But you can't have hopes on the relief. You just keep slipping back all the time, everything you got is wearing out on you and you sure feel like hell. We had a nice little home here once, but look what a wreck it is now. Another year of this and we won't have a thing left.

What I mean is, it makes a bum out of you. I used to be one of the best in the structural steel game but today I feel like I never was in it.

Well, we were living along like this, both of us still going out to look for work a couple times a week and hoping all the time something would happen, we'd get a lucky break or something, when of course something did happen. But it sure was the wrong thing.

My wife was going to have a baby. God, Doc, it sure is funny about babies. If they really come from Heaven, or anywhere like that, you'd think they'd never send them to a home like ours. People on the relief ain't got a right to have kids.

Well, there it was, anyway, and boy, we felt awful. Not that we wouldn't've liked a kid. Don't get me wrong. But what in the hell would we be doing with one, living the way we are?

My wife began sitting in that rocking chair there and staring out the window. Of course, I made her stop looking for work, she used to go out just like me. You know they give women jobs before men because they work for less and don't have unions. Well, this made her worse, our nerves are all shot anyway, and I was already getting worried about her when some more had to happen. I'd been out of the house alone a lot, God, I'd go nuts if I stayed at home all day, when this lady that gives us our relief came around.

My wife let her in, I guess she'd been lying down and crying, when this woman makes some crack about no more relief or something. I never did get it straight because my wife must have got a little wild right then and there. Anyway, she had a miscarriage after the relief lady left and when I got home the neighbors had taken her to the city hospital.

Doc, I suppose you know better than I do what such a thing does to a woman, specially when she's all worn out from worrying anyway. When she came home she was so changed I didn't know her. She was cold and dead-like and wouldn't say a thing. When I talked to her she just turned her head the other way. She went a whole day without eating or opening her mouth. It made me just about nuts. She was like ice.

I took her back to the hospital and then I got one of the young docs alone and he told me what she needed was some relaxation. She ought to quit worrying for a while and have some fun. She needed to forget things. I told him there wasn't a chance, but he told me to do the best I could anyway.

Well, the way we used to forget things was to turn on some jazz, have a few drinks and then maybe go out or dance. I mean when I was working. Since we been on relief we can't do a thing. Anyway, I decided to give her a good time, just once at least. I had three bucks from my brother in Chicago that he had been owing me for a year for some tools. I figured I'd take the three bucks and we could have just one good time, sort of make a break for it, and it might get her out of this mood she was in. You know how a person gets, Doc, sometimes you just got to bust loose.

I went out and got a bottle of gin and some ginger ale and made us a couple of stiff drinks. I tried to cheer her up then by clowning around the house, and by God, it did seem to be doing some good. I got her to smiling a little, anyway. It was the first time in nearly a year she'd had anything to drink.

After a while we decided to go out and just walk around and see the sights. I'd got her to talking a little by this time and it sure was good to see her beginning to act a little natural again.

We went around where there was some lights. Then we went into a cafeteria to have a sandwich, the first we had eaten out in a hell of a while. Being a little drunk I kidded some of the people sitting around us and they kidded us back. It seemed to make my wife feel better. I should of left well enough alone but then I got the idea to go out to the amusement park. We had a drink and then set out.

On the way out my wife began to quiet down a little so I gave her another nip from the bottle.

You see I wanted to keep her warmed up, keep the ball rolling.

Doc, you know that amusement park? I guess you must of been there once in your

life. Well, all that noise and bright lights was just the right thing for us. We began spending pennies, even nickels and dimes, right and left. It sure was fun. But in a little while she began to quiet down again. In spite of everything she was beginning to think too much. I gave her another drink but it didn't make any difference at all. I guess she was thinking about that baby we didn't have, and about the little girl that died. You know they say it is a sign a woman is weak if that happens. Well, my wife never has been weak, you know that, Doc. But this idea that maybe she was getting weak, maybe because of the depression, or too much worrying, or us eating so badly on the relief, well, she just couldn't stop thinking about it. I used to promise her all kinds of things, kids, money, a nice home, all that stuff. But she probably got to thinking we'd never have any of it now.

Well, about this time we came to a shooting gallery, a nice place. So I said to her, "Come on, let's shoot. You used to be a good shot." She isn't afraid of guns like most girls so we went in. She used to shoot with her brothers where she was raised just outside Milwaukee.

The man running the gallery could see we were kind of drunk but business was rotten so he didn't mind. I guess nobody spends any money for such stuff these days unless they are kind of drunk. He loaded up the guns for us and put them in our hands with a smile and told us to go ahead. He could see we knew how to handle them.

We began to shoot, kind of slowly at first, getting used to the sights. Then we tried the finer targets. I sure felt fine when I saw I was just about as good as I ever was. I used to shoot a lot as a kid. But what I got to tell you, Doc, is how that gun in your hands makes you feel. You can't understand about my wife if you don't get this.

A gun that way sort of lifts you up, makes you feel strong. You get the idea that maybe you might be able to shoot your way

Nicholas Murray Butler Destroys the Collectivistic Idea

"It takes all sorts of human beings to make this world. Not only is it a fact that individuals are not and cannot be equal in respect to physical force or technical skill or intellectual power or moral excellence, but that all progress would come to an end if they were. If there be no higher end at which to aim than this equality, then the stagnation of death will displace the activity of life. These differences between individuals which have been and are the moving cause of all progress in the history of civilization, must be reckoned with as permanent forces, unless through their extermination we propose to bring civilization to an end. This is why all forms of collectivism are of necessity reactionary and can, in the end, bring only unhappiness, suffering and disaster to those masses which they are supposed to be able to aid."

—From Dr. Butler's address at the Parrish Art Museum, Southampton, Long Island.

out of the hole you're in, I mean if you couldn't get out any other way. And with a few drinks in you, you wouldn't give a damn if you got hurt a little doing it. I mean, living the way we are, you feel like an animal caught in a trap, wild-like. You'd do anything to get out of the trap. Did you know that some animals will chew their own feet off just to get free of a trap? It sounds crazy, they probably die afterwards, but they don't die in the trap anyway.

Doc, you got to excuse me, but you probably can't appreciate all this, being fairly well fixed the way you are. I'm only telling you because you asked for it.

Well, the guns were automatics and would shoot as fast as you could pull the trigger. I used to be a good shot as a kid. I could clip the necks off a row of beer bottles one every second. My uncle used to hold a watch on me. Well, I banged away like this for a while without paying any attention to my wife. When I had enough for a minute I laid the gun down and took a look at my wife. There she was, banging away just as cool and steady as could be. She just leaned there and shot and shot. The gallery man and me and a couple of passers-by just stood there and watched her. I finally said something to her but she didn't hear, she just went right on shooting till the gun was empty and then made him hand her another one, all loaded. I got a little worried, she was so cool and steady, and told her to give it a rest for a while. But she wouldn't listen.

Finally I put my hand on her shoulder and said, "Honey, take it easy." But she jerked loose and went right on shooting. I waited for a while, watching her knocking over those little iron ducks and rabbits, and hoping she would get tired and lay the gun down by herself.

Then the guy that was running the gallery got nervous and told me I ought to stop her. I told him she was all right and not to worry. While we were arguing she went right on, banging away to beat the band, and then asking for another gun when hers was empty. When she laid a gun down the barrel was hot . . .

Here, Doc, let me get it for you. This is a clean glass. I'll let the water run a little. Sit down, I'll bring it to you.

Well, what happened? I know you want to know what happened. When I think about it, it wasn't so much. It could have been a lot worse. We couldn't get the gun away from her. She wouldn't lay it down or give it up. I finally had to fight with her and it was then she began yelling. She said we had to have it, we couldn't live without it. She said we had to have it for when there was no food in the house. She said they'd let us starve if we didn't have a gun. We had to fight. We had to have guns because we couldn't wait any more on the bankers and the rich bosses. They'd let us die. She said . . .

What's the matter, Doc? I'm not yelling. What are you looking at me that way for? I'm just telling you what she said. And she ain't crazy, either. She's just as sensible as your wife is. She's just high strung and this goddam depression is driving her nuts, and me too. Listen, Doc, I'm just telling you all this so's you'd understand, so's you'd know how my wife got that way. For Christ's sake, Doc, you're our friend. . . .

STREICHER'S GRIP ON HITLER

by NATHAN CARO BELTH

IT IS not to the credit of the enemies of German fascism that they have failed to grant the Nazi party recognition for its greatest achievement. But then, not even its friends have stressed sufficiently the Nazi party's success in the rehabilitation of criminal types and men who have failed in the ordinary walks of life. No political party or group of reformers anywhere in the world can point to such an impressive array of ex-convicts and social misfits who, under Nazi guidance, have regained respectability and attained to high government and party position. There is Heines, the condemned murderer; Roehm, the pervert; Goering and Rust, men with uncontrollable nerves. And there is Julius Streicher.

A charge that he committed rape in 1918 while a soldier at the front, is Streicher's earliest claim to public notice. He has since added stature to his international reputation by facing charges and—when his political influence failed him—convictions of theft, bribery, embezzlement of Nazi party funds; of libel, slander and incitement to violence; of seducing the wives of his benefactors, and ravaging girls in the employ of his scurrilous newspaper *Der Stuermer*; of consorting with and elevating into public office men with criminal records.

Let no one scoff at such accomplishments, for when the complete story of Julius Streicher is finally told, it will be discovered that civilization owes an everlasting debt to his rapacity, his sexual degeneracy and his complete unscrupulousness. For Streicher has lifted scandalmongery from the pastime of fishwives to a high art, and converted pornography from a mild form of perversion into a potent political weapon. Less imaginative and less talented pornographers have plied their craft for mere penny profits and the amusement of the populace, but it took the genius of a Streicher to find power and political preferment in erotica.

Streicher's career before the rise of the Nazi party, like that of most of the leaders of Germany today, is modest. He was born in 1885 in Fleinhausen of middle class parentage. He became a teacher in the public schools and served in the army during the World War. When the 1918 Revolution broke out, Streicher was a member of the left wing of the Social Democratic party. By 1920 he was an agitator for the German Socialist party, and in 1921 he supported Drexler, founder of the Nazi party, in an effort to oust Hitler, who was then only chief propagandist of the party. Hitler's victory spelled the eclipse of Drexler, but Streicher was saved by the power of the votes he controlled in Nuremberg.

This early test of strength made a lasting impression on Hitler and left him with a healthy respect for Streicher's political position. Despite many protestations that Streicher is not a power in the Nazi party, Hitler decided that he was very desirable as an ally and has always come to his assistance at crucial times. Streicher's vulgarity, unscrupulousness, and degeneracy were at once

his strength and his weakness. While building up a following among the Franconian masses with his pornographic anti-Semitic newspaper, he nevertheless estranged other Nazi leaders.

Even Drexler finally refused to deal with him. Holzwarth, the National Socialist writer, found Streicher and his henchmen "the worst terrorists and liars" and refrained from discussing Streicher's financial management of the Nuremberg Department of the party "in order not to bring to light still more muck." He accused Streicher of seducing and running off with the wife of a doctor who was Streicher's benefactor, and of consorting with criminals, notably Steinberger, who has a record of fourteen convictions and Weisbacher, who has a record of eleven convictions and whom he made a member of the Bavarian Parliament. There was no need for Streicher to deny these accusations. The facts were common knowledge.

Feder, the Nazi theorist, attacked Streicher vehemently as a detriment to the party and Police Chief Poehner declared that he "refused to have anything to do with the man [Streicher] because he refused to sit down on a heap of dung." Ertl, Nuremberg's member of Parliament, accused him of raping girls employed in his publishing office, and of other sexual crimes. In 1930 the Bavarian Parliament finally suspended Streicher's immunity privilege. But again Hitler came to his rescue and persuaded party members to withdraw their charges. And Streicher repaid Hitler with his loyalty. He stood with him in the Strasser Crisis and was then intrusted with the management of the anti-Jewish boycott campaign.

Streicher is essentially an old-fashioned machine politician. In the early days of the struggle for supremacy within the party, his ability as a vote getter very nearly outweighed the heavy gold of Hitler's industrialist backers. And now, of all Nazi leaders, Streicher remains closest to the people. Therein lies his great strength. With the exception of Hitler, he is probably today the strongest man in Germany, for he holds his

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Nazi Enlightenment Towards Labor

"The main issue with the workman is not his ridiculous wage pennies but the dignity of his position; and ultimately wage questions settle themselves if the worker respects himself. In the last resort the mine worker cannot be paid with money at all; what he receives is only a petty remuneration for his unremitting labor. It is therefore all the more ridiculous for people to begin to haggle about such little things."

—Dr. Robert Ley, chief of the German Labor Front, addressing the miners of Neukirchen.

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constituency in a steel vise whereas such men as Goering and Goebbels have gone to the "center" and lost their local machines. With the votes of the Nuremburg party at his back, Streicher can make his demands upon Hitler and the "center" without fear of being refused. It explains why Hitler has bowed to Streicher's wishes in many of his anti-Semitic escapades which have turned foreign public opinion against Germany. Nuremburg's votes are to be reckoned with and Nuremburg belongs to Streicher. Despite Hitler's seeming supremacy, he nevertheless leans heavily upon such local chieftains as Streicher for his support and his continuance in office.

This former school master who has made of anti-Semitism an outlet for his sadism, of sexual crime a personal privilege and of pornography a political weapon, is an agitator who can compete with Hitler himself for effectiveness. What he lacks in intellect and oratorical power, he replaces with rowdy courage and utter unscrupulousness. There is nothing fastidious in his mudslinging. Heiden, the historian, finds that "any mud he threw he picked up himself." The man has no reticence and never knew how to blush.

His public addresses go unquoted even in the Nazi press—except his own, because not all Germans have lost their inhibitions. The newspapers content themselves with reporting that Streicher said a "few colorful things."

The man who never called a spade by any other name found early in his career that he could couple his anti-Semitism and his overdeveloped sense of the pornographic to his political advantage. He began to publish *Der Stürmer* in the days of the Weimar Republic which refused to suppress his scurrilities because it would be inconsistent with its ideals of a free press. From that time on, no bed-room was safe from invasion, especially if it was in the home of a Jew. With the uncanny intuition developed by his own abnormal sex desires, he ferreted out for public display every bit of scandal in Nuremburg. And where none existed, he invented it.

His chief victims, of course, were Jews with Aryan wives and vice-versa. Degradation and violence were visited upon them while the circulation of his paper grew enormously and with it his political power and the agitation against the Jews.

Streicher is not a strange phenomenon in the Nazi set-up. He is of the warp and woof of the Nazi political fabric. One need but review the principles and motives actuating Hitler to see that they are the same as those of Streicher—though less crude—and that Streicher fits into the scheme of things. Hitler, hating the masses, has nevertheless, made them the object of all his impassioned agitation. He has brought political consciousness to the unpolitical and thereby destroyed the value of the intelligent voter. Streicher, too, has appealed to the lowest, the most ignorant in the population. But he does not despise them. His hatred is turned against what he calls "grand people." He, like Hitler, tells the stolid mass that it is the élite of the nation, but unlike Hitler, he believes it. The worst shall be first and the ignorant in high places.

SOME MARGINAL NOTES ON ADDISON

by LOUIS KRONENBERGER

PERHAPS never in English history has the world of writers so interpenetrated itself with that of lords and statesmen as in the first decades of the eighteenth century. It is not hard to see why. The great men of the day being enmeshed in politics, they needed the help of persuasive pamphleteers to gain their ends. Whigs and Tories, forever fighting, never fought harder than in seeking to win over men who knew how to write. The writers, on their side, had even more to gain, and fought even harder than the statesmen to gain it. They could not exist without patronage; they were eaten up with vanity and ambition; they realized that to a fortunate few the rewards were dazzlingly high. Accordingly they were sucked into the social whirlpool near which they spent their lives. If with one side of their nature they set up as satirists and exposed the vices of Augustan high life, with the other side they capitulated before its values.

The very men who, in their writings, denounced treachery and hypocrisy and time-serving, became traitors and hypocrites and time-servers; and by such means they became successful. . . . There was no one among them more successful than Addison.

Compared with his great contemporaries—Swift, Defoe, and Pope—Addison has long suffered in popularity and significance. If he is still a classic, he is no longer a force. But in personal reputation he has come off better than any of them. Who is not familiar with the spellbinding talker of Button's, with the Christian gentleman, with the unswerving Whig? Macaulay extolled him without stint, Taine eulogized him, Thackeray praised him, Johnson approved of him, Professor Courthope acquitted him, only yesterday Virginia Woolf looked and found him fair.

Of all his commentators, only two—the earliest and the most recent—have taken an adverse view of the matter. Pope's characterization ranks among the most uncomplimentary opinions in the language:

Damn with faint praise, assent with civil leer. . . .

Willing to wound, and yet afraid to strike. . . .

And so obliging that he ne'er obliged. . . . and all the rest of it. But of course Pope went in for that kind of thing. There is also Mr. Bonamy Dobrée who recently attacked Addison and applied to him an epithet that Pope could hardly have been expected to know. Addison, says Mr. Dobrée, was the first Victorian.

The Nazi principle of leadership has been to elevate the second rate into positions of power. Hitler prizes loyalty (Streicher's loyalty was long in doubt) above ability and has therefore raised rascals to places of responsibility and respectability where they may remain only as long as their loyalty to *Der Führer* is unimpeachable. The old guard whom Hitler has extolled so touchingly are either pathological cases or men who have failed in ordinary walks of life. Administration by tools is National Socialism's chief tactical error and will eventually spell its doom.

After being at Charterhouse and Oxford at the same time as Richard Steele, Addison came as an obscure young man to London with some idea of entering the Church. By his early writings, however, he won praise from Dryden, and soon after caught the eye of Montague. Montague saw talent in Addison which he felt the Whigs could use. He sent the young man, with all expenses paid, on a tour of the Continent. From Paris he went to Germany and from there to Austria; and at length reached Italy, where he seems to have looked at all the right things and to have greeted them with all the right quotations.

On his return to London, unemployed and penniless, he joined the Whigs. They had come into immense power and, to test his steel and whet his appetite, gave him a small sinecure. Then, almost it would seem for Addison's sake, Marlborough triumphed at Blenheim: at any rate, Blenheim was the occasion for so many bad poems that Addison was sought out to compose, in Marlborough's honor, a good one. It was not good but it made Addison's fortune. His rise, from then on, was rapid: he became a Whig scribe, a commissioner in the excise, a chief secretary in Ireland; in time he entered Parliament and before he died was a cabinet minister. Nor did his literary career lag behind his political one: the *Tatlers* and *Spectators* he wrote had a revolutionizing success, and "Cato" ran for thirty-five nights, a very long run considering the age, not to speak of the play. He made distinguished friends and, in middle age, a distinguished marriage with the dowager countess of Warwick. Their life together is supposed to have been discordant; Addison's own was fast approaching its end. He died, in 1718, at the age of forty-seven.

His political success is the more remarkable in that he was never in any real sense a politician. It is true that in Addison's day good writers sometimes became party leaders because parties led chiefly by the pen; but even so, a career as flourishing as Addison's must have resulted from more than just literary ability. The answer lies, I think, in a shrewd ability to bargain. Addison possessed diplomacy and saw no reason why it should remain a merely social asset; why not, one can hear him say diplomatically, make of it a party asset? He could write, and saw no reason to be paid by the line; he wanted reward of office, and the salary of a statesman. Addison was never exploited by the Whigs, as Swift was by the Tories; he was paid in full. In return, though negligible as a statesman, he proved to be a loyal and honorable party man, and should be remembered for attacking corruption, though he could not have fared so well had his age, or even his party, been less corrupt.

Unlike his political career, his writings have consequence; and are the best mirror

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of the broad, bourgeois life of his time. If the *Tatler* and *Spectator* papers have been overrated as art, they cannot be dispensed with as memoirs: they provide an intimate and, for all their moralizing, an objective picture of London under Queen Anne. You must discount Addison himself as the fashionable Fifth Avenue preacher of his day; but he knows his subject and he knows how to express it. He has the skepticism of his age, but unlike his age does not make a vice of it; he has its wit, though not like Swift the wit to impeach such wit; and he has the very valuable gift of keeping his temper. His values are high for his times, though not high enough for a great nature or a virile thinker. In the ideal they would produce an urbane Christian, but in practice they offer nothing better than a genteel rector.

It is when we come to the man himself that we rub up against a psychological interest that is quite lacking in his career. For two centuries most people have thought of him as a paragon, with here and there a fault-finder to suggest that he was also a prig. In recent years, perhaps, it has been a kind of open secret that Addison was a prig, and it must be at least a generation since anybody devoted his days and nights to the study of Addison. And there has always been Pope's annihilating thumbnail sketch to reckon with: it is obviously scurrilous, but it clamps your imagination. For though we knew that Pope never required much, he must have required *something* to build on; and the atoms of truth he discerned have sufficed to set the worst of the fault-finders wondering. Thanks to modern scholarship, some evidence has been forthcoming.

Addison, as has already been implied, was a careerist. Above everything else he wanted to get ahead. But he had the vanity to want to get ahead gracefully, as if it were none of his doing; and he wanted to get farther ahead than any of his friends. This last ungenerous quirk was deep-rooted in him; generosity he could show only to his inferiors, and in return for it he demanded homage. He always preferred the companionship of disciples to that of equals. There is no doubt that he worried over appearances, as there is no doubt that he knew how to keep them up.

He never lost his temper; there could have been no better way of making other people lose theirs. He never quarreled; but Swift, Steele, and Pope all grew cold toward him. He never gave himself away; but he had the manner of one who has something to conceal. He never made mistakes; but that, while an unquestioned asset, is not necessarily a virtue. He cultivated, in other words, the arts required by a careerist. He mastered himself, he ingratiated himself. He had a cool brain for doing these things, and for the best of reasons—because he had a cold nature.

Whether or not he was a good man depends on what importance you attach to the letter, and what to the spirit, of morality. But what one can conclude, with some show of reason, is that to get as far in life as Addison did, in the age he himself has so tellingly described, he must often have been clever, and politic, and disingenuous. He must have been very knowing, since we can say with assurance that in those times naïveté got you nowhere. It is the next step, how-

GIANT IN SILVER AND A BRASS CLOCK

by ANITA BRENNER

Print is poison to the United States Smelting & Refining Company, the world's largest single producer of silver. Its Boston Tory heads are not at home to reporters and researchers, and its employes, down to third assistant engineers and office clerks, guard their talk about silver and mining when strangers are around. To visit U. S. & R.'s richest holdings (Real del Monte mines and mill at Pachuca, in Mexico), is practically a social-climber's job. And the visit itself is nicely routinized to give a bird's-eye view and no details. Because certain doors may not be opened; certain questions must be evaded; and certain photographs must not be made.

Within the company itself there is also a good deal of solemn maneuvering whose object is to keep each man and each department familiar only with part of the company's work. Only the men in the most private office and the people from Boston cross the departmental lines, and only they have access to all the books. But they are not the only people who know what the U. S. & R. wants to hide. Every employé, and even the most casual visitor, knows the name of the secret: profits. But not the quantity. For like every other capitalist giant with no need to sell shares, U. S. & R. would like to pass as a dwarf.

Its president says that there is a spirit of socialism abroad in the land, and any corporation that is making exceptional profits is singled out as a source of popular prejudice and resentment.

The U. S. & R. has holdings in Alaska, Utah, and Mexico, and it mines for silver, gold, lead and zinc. But the bulk of its exceptional profits come out of silver from Mexico. Oddly enough, in some years the total net profits declared come to a good deal less than the net in Mexico, calculated from its production at the same rate usual for other Mexican mining companies, though the U. S. & R., as a large operator, has somewhat lower costs, especially for ore transportation, because its ore is shunted directly from its mines to its mill nearby. Operating, as now, at capacity, the U. S. & R. mills around 1,500,000 metric tons of ore a year, which contains an average of half a kilogram of silver to the ton, and a small amount of gold and other by-products. At present rates

ever, which really seems to damn him: since his successful maneuvering never turned him into anything of a cynic, it is fair to conclude that his make-up must have contained a good deal of the hypocrite. He must even, to avoid being found out a self-seeker, have risked being thought a prig. He took the risk to the very end, with posterity as his last customer. "See," he said to his scapegrace stepson on his deathbed, "See how a Christian can die." The stepson, incidentally, disliked Addison.

But the "Atticus" of Pope, who was also a Secretary of State and the husband of a countess and a writer greatly esteemed for both poetry and prose, was no fool. He learned wisdom and applied it—applied it so well that it passed for virtue also. And

THERE are not many things we can admire in English newspapers (the *Manchester Guardian*, of course, excepted), but at least they give their readers some information on what is happening in the universities. But here in America the press almost ignores such news. Last September, for instance, when the colleges re-opened, about all we could learn from the papers was that Princeton would have a strong back-field this season.

the value of the silver alone, per ton milled, is \$10 to \$12. Top costs figured by other companies, including taxes, transportation, amortization and absentee salaries, run around \$3.50 per ton; which figure government experts and sources acquainted with U. S. & R. books agree is a generous maximum for this company. Net per ton is therefore from \$6 to \$8, which means around \$10,000,000 net a year; about twice as much as the total net, for the entire company, that the U. S. & R. is in the habit of reporting.

This figure, moreover, takes no account of profit on gold, not inconsiderable, nor on other metals. Nor on the silver and gold salvaged from the "tailings" after the ore has been milled; nor on the profits made by the refinery from processing other people's ore—about 1½% on about the same metal net as that refined for the U. S. & R. itself. How the \$10,000,000 plus are dwarfed to half and less is the core of the secret, no doubt, that the U. S. & R. is convinced is none of your business. And a secret especially dangerous in Mexico, where the "spirit of socialism" might be inclined to take it as a symbol of the thing that has kept that country oppressed and in poverty for more than four hundred years—absentee ownership.

Silver is No. 1 item of Mexican production, the biggest single factor in national wealth—and national politics. The history of Mexico's conquest and exploitation for absentee benefit is the main common denominator of all Mexican history. And silver, which averages about half or a little less of the total world output, is consistently the biggest single base for that conquest and exploitation. About 90% of Mexico's gold and silver profits are now foreign profits. Perhaps 85% absentee. And the profits exist, even when silver is low, by reason of the factor that always makes colonial capitalism richly rewarding: cheap labor.

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perhaps he deserves the good name he has so long borne; perhaps men in history, like characters in fiction, fail to be convincing if more than reasonably virtuous. Addison was rather dismayingly virtuous. Hard though we search, it is impossible to say anything worse of him than that he was vain, secretive, smug, covetous, and calculating.

You cannot impeach such conduct on legal grounds, and in an erring world it would be rather sanctimonious to abuse it on moral ones. Perhaps lynx-eyed posterity, with whom he tried to bargain, has provided him with punishment enough: the Addisonian mold is now thought a trifle stilted, and Addison is coming in for a touch of what made him writhe the most—ridicule.

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When playing dwarf, the company groans about labor and taxes. This is what they amount to: twenty-five years ago the U. S. & R. employed about 12,000 men, paying at from 75 centavos to a peso a day, around \$200,000 a month. And around \$35,000 for its foreign staff (office men, technicians, engineers). Ten years ago, the payroll in pesos was almost double, but a high exchange made it, in dollars, \$250,000, plus the foreign payroll a total of a little less than \$300,000. In 1935 mechanization has brought down the number of Mexicans to 6000, and depression chiseling has also cut the foreign staff in two. The Mexicans, due to a militant union and national labor legislation, are getting wages in some cases more than double the old rates. But the high rate of exchange and the decreased number of workers brings the payroll, in dollars, to about \$280,000 for the Mexican workers and around \$25,000 for the foreign staff. Thus in twenty-five years, while production has more than doubled, and silver prices glint the skies, less than a third increase goes to labor; with the number receiving it, halved.

In percentage, this means that from 12% to 15% of production goes to labor (including the foreign staff and executives), which with taxes, is what is spent in Mexico. Taxes, even given the recent law raising the ante on silver, are a maximum 15% of production. Thus from 50% to 60% of the capital made by the mines is exported.

The money that goes to the foreign staff supports about 500 people. While in the United States their salaries would give them modest-to-comfortable middle class standards, in Mexico, due to exchange kept pegged high for the benefit of exporters, they can afford more than comfort. The fact that their salaries are calculated in dollars whereas the Mexicans' wages are set by peso standards, draws a very sharp line between foreign and native labor. Moreover, the fundamental jeopardies of a colonial enterprise make an almost Kipling group out of these people, whose dominant taboo, like that of the British in India, forbids all except official intercourse with the people of the country in which they live. In Pachuca itself the company doctor is the only one of them who breaks the taboo to clap a Mexican on the back and call him *amigo*; wherefore he was one of the few who could safely remain in Pachuca during the fighting days of the revolution.

Shop-talk, bridge, gossip and golf takes up most of the leisure of the U. S. & R. aristocracy, which is American with a sprinkling of British. Except the share-holding executives, if most of them could be sure of as good a living at home, they would go back like a shot. Because the isolation and the risk—Down with the gringos! is always the first cry of revolution—gets on their nerves, and the health and education of their children is a constant problem. A few are acutely aware of what their position does to their children; who play "mines" by standing over small Mexicans and ordering them to dig. And, comparing their salaries with pretty accurate estimates of the company's profits, they are neither grateful nor happy, especially when they remember, as they do constantly, how ruthlessly half of them were fired two or three years ago. Some, men

WHY I SHALL FIGHT RADICALISM

by JOHN CURTIS

[The author of this article is well-known in Eastern banking circles. He is an educated man, as education is understood in the United States these days, and his point of view on public affairs is that of a large number of well-heeled Americans. His article forms a revealing sociological document, and is here presented as such.—THE EDITOR.]

I DON'T want the reader to get the impression from the title that I'm entirely a sap, so it will be necessary first to etch a picture of myself. I'll try to make it short and snappy.

I am thirty-nine years old. I am married and have two children, a boy of fourteen and a girl of ten. I am a graduate of an Eastern university. I studied law for two years, but gave it up to take a job in a bank. That was seventeen years ago. I am an officer of that bank today. Last year I made \$14,000, including a \$2,000 bonus. This year I hope to do as well. I own my home. It cost me \$22,500. It is clear and free, I having paid off a small remaining mortgage last year. I own two automobiles, one costing \$700 and the other \$1,600. I paid for them with trade-ins and spot-cash. I say this not boastfully, but to make clear my dislike of buying things on credit.

I am not literary, though I like to read. Damon Runyon is my favorite author. I am not musical, though I enjoy opera. La

Bohème is my favorite one. I am absolutely ignorant of painting and sculpture, and time spent in museums has always been to me a pain in the neck. I see two or three movies a week, attending them always in the evenings in the company of my wife. My favorite actor was Will Rogers. I play a very fair game of bridge (I have the knack of mental concentration), and once was considered a good tennis player. Golf, somehow, I never excelled at, but I like the social side of the game and play regularly on Saturdays, weather permitting.

I am an Episcopalian but I seldom go to church. The last time I went was on Easter Sunday of this year, but that was more to please my wife. Not that she is a church-goer either; but I suspect she wanted to show off her new finery. And that, I think, about completes the picture of me. . . . Oh no, there is one thing more: John Curtis is not my right name.

As you can see, I am not what you would call an intellectual, but I am far from being an out-and-out jackass, and I hope you will not think I believe that capitalism is something that has the sanction of Heaven, or that I am ignorant of the fact that there are today 12,000,000 out of work in America, whereas in Russia there are more jobs by 800,000 than there are men to fill them. I know all this, and I know a lot more besides. I know capitalists probably better than any

who had been with the company ten and twenty years.

But, though they suffer from the terror of all workers—insecurity—they think like middle-class Americans and would not dream of considering they had anything in common with the 6000 Mexicans. The visible differences are too great. The Mexicans live in huts, without light or water. Their women have to carry mine-water home in large cans. They have no beds, no mattresses, a few thin blankets only between themselves and the sharp highland winds, and their clothing, budgeting the wages of 6000 among about 20,000 to 30,000 people, has to cost no more than about \$45 yearly per family. Of this, about \$10 has to go for miner's hat, respirator, and hard-toed shoes—the first two from the company store at company prices.

Allowing for miner's tools and rent, the ordinary supposedly "good" miner's wages leave him around forty cents a day on which to feed his family, in a region and town where food is considerably higher than in farming sections of Mexico. The miners' union budgets other possible spending as follows: Education (newspapers and cheap books) \$6 a year; medical care, \$10 a year; entertainment, (movies almost exclusively) about \$25 a year, which they admit is proportionately high but essential given their maddeningly grim jobs. The company big shots say the miners live like coolies because they drink up their wages. Yet at one time, when a back-pay settlement was made involving several hundred thousand pesos, a pair of curious Mexican economists went up

to Pachuca to keep count of how it was spent. It went 90% for shoes and clothing, 5% for household utensils and furniture, and 5% for entertainment and drink.

There is one cost for labor which is not down in the miners' budget nor in the company's allowances for depreciation. This is silicosis, which, due to the structure of Pachuca rock, occurs, say the miners, almost inevitably within a couple of years; certainly after that. This is why you seldom see men over forty working in the mines. They are all at home coughing their lungs out, or dead. The company doctor won't give his figures for the percentage of silicosis; they are too high. When a man is hired, he is given a thorough examination and gets his job only if he is perfectly sound. After that, he is supposed to be examined periodically and to be laid off with a pension—it's a law—at the first signs of silicosis. But the miners laugh like hell if you ask them about that. The company's idea of when a man should be relieved from labor, they say, is when he's lying on a slab in the morgue.

The Pachuca-Real del Monte mines have been worked for over four hundred years. Two thirds of that time, by Spanish grandees; the rest, by British and Americans. They have produced, in that period, millions and millions of dollars' worth of gold and silver. But the only sign of wealth in the community is, aside from the machinery and buildings of the mining companies, and some ruined churches, a gigantic baroque clock in the center of the Pachuca plaza. It is made of brass.

reader of THE AMERICAN SPECTATOR, and I know them to be hogs whose beltlines have no limits to the gorging they can do; hogs they are without a single qualification and without a single exception. In my seventeen-years' experience of them—by which I mean daily contact with bank-officials, bank-directors, big industrialists, corporation lawyers, promoters, and stock-market manipulators—I have yet to meet one who would not shave a wage to the bone if he dared, or sell out his best friend for two pieces of silver.

Do you think their righteous phrases fool me? Do you think they can make a move without their motives smelling to the skies? Not much! I know their every trick—and one more! If you accused them of being dumb they would not believe you. But dumb they are, for they are bringing on the end of their epoch faster than they know. What often disturbs me is that they are bringing it on too fast. Sometimes I feel like telling them that they ought to "kid" labor and "string along" with the unions a little bit—just for appearances, I mean. But I keep my mouth shut. I know where my children's butter is.

Now you probably have guessed from the picture of me that "pickings" are pretty soft for me and that my family enjoys downy comfort. Your guess would be right: we have everything we need and even a lot of things we don't need. As the years pass, what with promotion, increased salary, and continued bonuses, I suppose more luxuries will come to us—a finer home, better cars, additional servants, an annual European trip, and, last but not least, the one hope of my life, a yacht (not a "millionaire's liner" but a modest 70-footer). These are not improbabilities, considering that in the past I have always made the most of "market opportunities"—golden tips whispered to me by industrial giants who believed that in that way they could purchase my loyalty. And then there is always the chance of a partnership in a large New York banking-house, in which case we would, of course, have to move to New York and re-orient ourselves domestically and socially.

These, then, are the advantages that the years ahead promise: if not all, at least some. I cite all this without hesitancy because I wish to say something without hypocrisy. It is this: the condition of the 12,000,000 unemployed in America is not going to cause my heart to bleed, any more than is the condition of labor-shortage in Russia going to make of me a communist. I promise you that I will get that annual European trip without the contribution of those 12,000,000 to national production, and as for the boom in Russia, I have no interest in it whatever. My eyes are open only to what brings grist to my mill. Anyway, communism would never buy me that yacht.

"THE Constitution has protected the weak, guarded our homes, given dignity to labor by defending the right to work and the fruits of toil, served justice"—we almost forgot: it's Bainbridge Colby talking—"and suppressed tyranny, met the tests of every crisis in every age for a century and a half." What are you selling this season, Bainbridge?



"I Wanted to See if You Really Were Hungry."

The reader by now will believe that he has caught my drift, but were he to go no further he would still not know my main reasons for fighting radicalism to the death, for after all is said and done, I suppose I *could* get along without seeing Europe, without owning a yacht, without driving a better car, without moving to a finer home. But could I get along, by which I mean, could I ever again draw an untroubled breath, if my two children were not securely taken care of? I do not mean taken care of as children merely, but as adults; taken care of for the rest of their lives so that their comforts would never be the stakes of luck, as, to a great extent, were mine. Put bluntly, it is my children, not the baubles, who stand between me and radicalism; it is for them, and them only, that I must hate what I privately admire and fight what I privately respect.

This past summer my wife and I took a motor trip through Western Pennsylvania and a section of West Virginia. Every year I like to spend my vacation in a different part of the country; in that way I combine my holiday with business in that I give the industries of the places we drive through the "once-over", making a note of plants, condition of buildings, and general outside aspect; it often comes in handy to have seen the mill or factory of a concern that applies for banking accommodations. Anyway, let us say the trip was business for me and pleasure for my wife.

But it turned out that on this particular trip she got very little pleasure. It was her first visit to the mining districts, and what she saw made her wince a little too often for pleasure. The sight of so many underfed children, contrasted with our own who were away at camp, gave her the feeling that there was something very badly ordered in this man's world. (I never permit such things

to penetrate to my sentiments; otherwise I would be whipped.) She asked me if conditions could possibly be worse in Russia. "Much worse," I said. But she didn't believe me. She said in her simple way that, in a land where no man was rich, no man's children could be so poor.

I got her out of that neck o' the woods as quickly as I could, and tried to make her forget what she had seen. But she seemed unable to forget; she would talk and talk, and a few times broke into tears. Finally I had to ask her flatly if her own children's happiness did not mean more to her than the misfortune of a million other kids. She thought for a moment and then she said that she wasn't quite sure. I told her I thought we had better change the subject, which we did—conversationally, at any rate.

But fortunately my wife cannot influence my thinking. If it pleases her to believe that labor should be coddled, she is free to do so, for all of me. At times—possibly when she has our trip in mind—she becomes melancholy. Once I had to scold her for it. I told her that she was carrying on as if she had given birth to all the anthracite and

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THE editorial writers hinted that the late Huey, olav hasholom, was really a very high-class gentleman and that his public didoes were merely to show his constituents that he was a regular guy. We can't say, never having known him intimately, but we're inclined to believe it, for he bore many of the marks of a very high-class gentleman: he wore green silk pyjamas, sported black-and-white shoes, and had a swell gold belt-buckle made of his monogram.

JUDGE BRODSKY OF THE BREMEN CASE

by EDNA BRAND MANN

A YOUNG colored fellow is brought into a night court under arrest. Judge Brodsky is sitting. The officer, jittery looking and indignant, claims the Negro was abusive; when told to move, he did not show proper respect. The judge turns to the colored lad, who says, "He shoved me and told me to move along. I said I don't move for white trash in a blue uniform."

"A dollar fine," the judge decrees and turns to the next case on the crowded calendar. But he manages to see the black hand dig into the pocket, come out with nickels, pennies, dimes and pile them slowly on the desk.

"Just a minute. We don't want to take your last cent. You'll show proper respect in the future? Sentence suspended." The judge's words were run together and quick—but not quick enough to beat the Negro's stubborn "I want to pay my debts. Don't want no favors."

"All right. All right. Good spirit." The judge drowned him out. . . . "Sentence suspended. You'll show respect in the future? Sentence suspended," and the man was bustled out muttering something or other. Maybe it was that he'd show respect.

"It takes a big man to handle a case in that way," an eminent lawyer in the ever crowded night court audience murmured to his seat mate. The night court is always crowded to capacity when Brodsky sits—not more now than before his famous *Bremen* opinion.

It is a good place to see what kind of man is this who tells the Hitler government what the League of Nations is afraid to tell it—who today receives thousands of letters from all corners of the world congratulating him for his statesmanlike courage, his long range view of history, and his technical acumen in meeting the immediate situation with a legally unchallengeable opinion. Brodsky,

with an insignificant "unlawful assembly" case, has managed to dramatize for the whole world the fight which is now being waged between the forces of progress and retrogression. The front pages of newspapers in England, France and Holland carried Brodsky's opinion to the ends of the earth.

What kind of a man is Louis B. Brodsky? Look at him on the bench. He wears a pince nez; his brows are upraised, his forehead triple-arched in deep frowns as he concentrates on the case before him. His manner is that of a physician, concerned, interested, tentative, probing, balancing. His sentence is his diagnosis and treatment. He doesn't seem to care what kind of figure he cuts, whether he is duly impressive; he doesn't mind changing his mind or retracting an order if some cogent reason strikes him. He has no dread of declaring a mistrial should the complainants wish it. If they'd like another judge better, let them go to it. He is human, decent, has a sense of humor, a level pleasing manner of speech. He is not sentimental but has a power born of intuition or long experience which smacks of second sight. Court workers who have watched him for years comment on it. It is a trait common to great diagnosticians in the medical profession.

Brodsky gave up a tremendously lucrative practice of law to accept an appointment in the Family Court—an appointment which few judges wanted because one could, in the early years, die in the Family Court and nobody would know or care.

Brodsky has said that the less law a Family Court judge knows the better. Let him look at each case as if the troubles had happened in his own family. That will give him the lead he can safely follow.

Perhaps this attitude explains the comment of a veteran social worker who has worked under several judges in the Family Court. "When Judge X is severe on delinquent husbands, they resent it but, somehow, when Brodsky is equally stiff in his demands, the husbands don't seem to feel sore."

So humane and effective was Brodsky's approach in the Family Court that three months after his initial assignment in 1924, Chief

Magistrate McAdoo, acting on the urgent request of several social agencies, arranged to have Brodsky spend most of his time sitting in that Court.

Today, many social agencies desire to have Magistrate Brodsky transferred to the new Domestic Relations Court (the old Family Court and Childrens Court, now combined) but they find it hard to enlist the support of Labor in their campaign, though Labor agrees as to his fitness for family court work. The reason is this—Labor prefers to have Brodsky remain where he is in the Magistrate's Court. They claim that he gives Labor the decenter deal. A leading union man in the garment industry recalls how two judges in succession meted out two and three months' sentences for picketing—to be followed by Brodsky who, on the first day of his assignment to the Jefferson Market Court, dismissed 200 out of 200 pickets. Labor does not consider Brodsky a radical but a decent human being. He himself would not claim more than that he considers property rights as well as human rights—with an effort to make the former subservient to the latter.

A good example of his philosophy is his handling of the case of a large business Association vs. the Peddlers. The Association's claim was that the peddlers were a menace to them.

"How a menace?" asked the judge.

"Competition," was the answer.

"Well, let's see" tried the judge, "how much money have your clients, X Association, invested?"

Answer: "\$200,000,000."

"And the peddlers?"

Answer: "\$20,000."

Judge: "At the rate of even 10% profit, that means a return of \$2,000 to the peddlers—and to the X Association, \$20,000,000. Do you see how infinitesimal the competition menace is?"

End of that argument. But the judge is not through. "Furthermore," he says (freely paraphrased from memory), "you owe a debt of gratitude to these peddlers. Here they chase out in rain or shine, all hours of day and night to track down a living instead of applying to Home Relief. And if you bar them from earning a living, they might take it into their heads to question what rights you folks have to display in your windows fur coats and diamonds? Some day they may realize their strength and use it. Tell your merchants of the X Association that—and tell them, too, that there was a time when many of them were peddlers."

The same human decency which characterizes his attitude to peddlers and pickets is in evidence in the Women's Court. His first rebuke in that court ran along these lines—"Judge Brodsky, your batting average here is very poor. Your fellow judges have averaged 85% to 95% convictions of prostitutes, whereas you have dismissed 80% of your cases." He did not alter his record but he interrupted his dismissals long enough to expound on his contempt for any judge who

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bituminous children in Pennsylvania. She said she had; that every mother gives birth to all the children in the world . . . Naturally, I never tell her that I am fighting the fathers of those children, and that I will do so with my last breath.

Yes, with my last breath—you may trust me for that. But, as I say, the fight is already on, though it is yet only in the stage of "underground skirmishing." By that I mean, I can inflict punishment on the "enemy" without openly showing my hand. For example, I can use my influence to prevent radicals getting bank loans—and do. I can use my influence in throwing the advertising of our obligated customers (borrowers) to "patriotic" newspapers—and do. I can use my influence in obtaining campaign funds for "safe" candidates—and do. I can use my influence with the police to break up radical street assemblages—and do. What other influences I can bring to bear on the enemy—and do—would not be good strategy to make public. What I have divulged here can hardly be news to radicals. But what I could divulge would, indeed, be mighty

hot news to every last one of them.

If the reader—and I assume he is a radical—thinks I am an isolated case he is ignorantly discounting the strength of his opposition. There are thousands of executives and under-executives in this country today—loathers of capitalists, yet defenders of capitalism—who are actively engaged in this very underground skirmishing. If you doubt that the fight is already on, just let any workers' party try to put through favorable labor-legislation in any state in the land; let it try to get a fair hearing for labor in any court in the land; let it attempt to wage a large-scale strike in any section of the land. . . . You cannot accuse us of having been asleep, can you?

In view of all I have here set down I do not think it can be said that I am quite a sap. I warned you at the outset that though I am not an intellectual I am far from being a jackass. Still, the reader may feel incensed to call me something even harsher than a jackass. Well, he may do so. Sometimes, to be perfectly frank, I almost think I deserve it.

WE should like to have been behind the door a few weeks ago when Alfonso visited Wilhelm at Doorn. Our guess is that the conversation was very similar to that of two push-cart vendors as they're being chased from a profitable stand.

"puts a woman outside the pale of decent society to make a record for himself." This occurred at the time that the Committee of Fourteen was investigating the Family Court.

The papers later told the story of two girls, freed by Brodsky, though two policemen testified to their guilt. Brodsky did not hold them for prostitution despite the damaging testimony of the officers. Perhaps it was his famed second sight which made him see innocence in the faces of the girls and crooked framing in the eyes of the policemen. Later, when this case came up before the Seabury Investigation, the stool pigeon Acuna confessed that framing these young and innocent girls struck even him as so raw that he came down from their room and told the waiting officers he just couldn't go it. The officers brushed him aside, climbed upstairs, made the arrest and brought the girls to Court—luckily, Brodsky sitting.

His work in the Women's Court convinced him that the source of crime here, as in other courts, was basically economic. He concluded that we attack the problem of prostitution from the wrong angle—he has not suggested any solution—perhaps thinks there is none—but he would approach prostitution solely as a health problem, making it a crime for any person (man or woman) to communicate a venereal disease. He believes, roughly, that passing on a disease can be made a felony. It is the same as taking part of a man's life. This point of view would eliminate all the sordid preliminary courting and pick-up by police officers who have to bring in their quotas of girls or lose their jobs.

In all of these everyday problems of the Court, Brodsky strikes one as having a peculiarly keen sense of fitness. How, then, in the *Bremen* case, did he come to take such an unfitting "impudent Jewish" stand—quoted from General Goering's statement to the Reichstag self-liquidation session on September 15? Or, to ask the same question the way many Jews of German extraction are putting it, "Couldn't he just have dismissed the case? He needn't have said anything"—meaning he should not have. Or, to quote liberals who feel that way but don't like to look at themselves naked, "Doesn't Brodsky's decision set a bad precedent? A judge might criticize Soviet Russia!"

And from other quarters there have been the criticisms that Brodsky's opinion might provoke anti-Semitism, and that he is guilty (this from many still comfortable lawyers) of violating the canons of judicial decorum by restating in his opinion an argument urged by defendant's counsel which contained a severe indictment of Fascist Germany.

To take up the last point first—the matter of form. I quote a brief statement given me by an experienced and scholarly lawyer:

In form the decision contains no departure from ordinary judicial opinions. It is not uncommon for

judges to state and dispose of arguments raised by counsel—and the more eloquently and earnestly such points are urged by one side or the other, the more usual is it for the court to treat such points in its opinion. Here Judge Brodsky considered a defence, forcibly urged by counsel, resting in justification—and concluded that, however, much the defendants may have been moved by the "gratuitously brazen flaunting of an emblem" that to them symbolized darkest reaction, nevertheless if the evidence showed a *prima facie* case of guilt, it would have been his sworn duty as a magistrate to hold them. The legal point raised by the defence is serious and important and merited a consideration regardless of the political nature of the case. Having disposed of this point, the judge concludes from the evidence that no *prima facie* case of guilt on the charge of unlawful assembly was presented.

Lawyers and Cabinet officers will differ in their enthusiasm for the form or structure of the opinion, depending "rightly or wrongly" on their enthusiasm for the substance. The lawyer just quoted considers that the substance is completely justifiable under our present legal system, embodying as it does our struggles for liberty since the Middle Ages.

"If the law is based on the ethical conscience of the community, then a judge fulfills his function if he considers the roots of the question before him, especially when they involve fundamental social and ethical concepts. Free speech must extend to the court which should not be muzzled where an antithetical social system adopted by another country has led to a disturbance."

As to Russia, Judge Brodsky probably feels that it is up to Russia to take her chances on the truth of facts as stated by the courts. Russia is not so thin-skinned as Germany, for the reason that the greater the truth the greater is the libel.

Now to the more serious charge of anti-Semitism. The plain fact is that the Jews were doomed to slaughter as soon as the Nazis needed a goat. Brodsky may not be conscious of social forces to the extent of seeing Fascism as the last stand of a sick social order, a shot in the arm for a dying and panicky body politic. He may not be trained to interpret in broad Marxian terms—but he can see what is going on before his eyes. He sees that anti-Semitism didn't wait for his judicial pronouncement. Nor did the meeching tactics of many German Jews (in and out of Germany) assuage the onslaught during the last two years. There is a time to stop groveling, to stop being humble and self-effacing and polite. There comes a time when a man must speak out while there is spirit still left in his body.

Brodsky could have dismissed the men without saying anything, as the Emily Post school of jurisprudence holds. But had he done this, what would have been the result? There would have been the same protests by the Nazi government about the dismissal of men who had assaulted their flag, but they would not have known what the dismissal meant. Brodsky wanted to be very sure that they did know just that.

And today the whole world knows. The opinion has been broadcast wherever men are still allowed to read. And Judge Brodsky, the modest, kindly, conscientious, busy family doctor of the magistrates court, has attained world stature because he is not afraid to count human relations and world culture as more important in the ultimate scheme of things than judicial decorum and personal security from criticism.

THE CENTRAL BANK FOLLY

by PETER EHLERS

THE Banking Act of 1935, like nearly all the other New Deal laws, is at least 75% fraudulent, and in the long run will take the public for another ride. Huzzahed by its proponents as setting up a central bank and stripping the bankers of their control over the country's supply of money, the law actually does nothing of the sort. Moreover, the bootstrap economic theory underlying a central bank has been definitely exploded by the recent phenomenon of a vast accumulation of bank reserves, which phenomenon was plain for President Roosevelt and his advisers to see before the original Eccles bill was even drafted.

Roosevelt, it should be said, has from the first been merely tolerant of the whole idea. (The Warren Plan fizzle is doubtless still fresh in his mind.) But he allowed the bill to be introduced, put it on the Must List, and failed, directly or indirectly, to deny the published theory of his Governor of the Federal Reserve Board, Marriner S. Eccles, who largely wrote the measure. The theory, as Eccles has put it, is that "fluctuations in production and employment, and in the national income, are conditioned upon changes in the available supply of cash and deposit currency, and upon the rate and character of money expenditures." This is the central bank theory plus the Keynes spending theory.

As is the case with most of his unorthodox ideas, sound or hollow, Roosevelt had to be backed into this one. The bill was introduced, in fact, chiefly to appease Father Coughlin, who had been preaching up the virtues of the central bank for some time, with great ferocity and misinformation. Although Coughlin refused to be appeased, the measure, as written, would in effect have set up a central bank. The point here is that first, because the bill was emasculated by the banking lobby, and second, because the underlying idea is demonstrably bogus, a large part of the public is going to be let down.

In order to understand the act, it is necessary first to understand the simple theory of bank check money—or "credit currency," or "deposit currency"—as distinguished from ordinary cash currency—dimes, quarters, dollar bills, gold-backed notes. Ninety per cent of all business is transacted by means of the former. Although both kinds have equal value, the total volume of the first kind fluctuates enormously, and at the low point of the depression it was only two-thirds of what it was in 1929. The aim of a central bank is to prevent such fluctuation. It can do this if it can control bank loans, for it is through bank loans that credit currency is created. When a bank loans a business man \$100, it simply increases his check-book account by that much, and *pari passu* increases the total of outstanding credit currency. Obviously, a bank will make such a loan only when it has faith in the borrower, but to prevent a débâcle resulting from the simultaneous failure of several borrowers, banks are required to maintain cash currency "reserves," which under present law amount to about 10%. In the example given, the bank

(Continued on page 12)

HOLLYWOOD Note: Mr. H. G. Wells, the historian, biologist, anthropologist, geologist, political economist, eugenicist, and novelist, who believes that the cure for the world's economic ills is a microscope in the home of every worker, has just signed a contract to write movie scenarios.

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The Italo-Ethiopian Tempest

AT THIS writing Italy stands outlawed by the League of Nations and by the moral opinion of the whole world, and all the indications are that soon it will become very hot for her. Mussolini's initial victories at Aduwa and Adigrat prove nothing. The Ethiopians offered no resistance at either point, as they were careful to notify the Italians they would not, long before General De Bono decided upon his offensive. The Fascist soldiers still have to prove their prowess. The chances are heavily against them, despite their superiority in armaments.

Italian soldiers have from time immemorial been third-rate. Their war with Austria was a subject of ridicule all over the continent, and their victory over Turkey in 1911 only proved that when the other side doesn't want to fight the Italians are great conquerors. Then there were the disaster at Aduwa in 1896, which revealed the Italian general staff as a quorum of boy scouts, and the Libyan War, which Frank McCullough accurately called "Italy's War for a Desert." Italy never really did win the Libyan War. The Italians occupy some of the sea shore hamlets, but they have not been able to subjugate all the tribes in the inland. General Graziani, one of the commanding officers in the present war with Ethiopia, was after them for ten years, and for every Libyan tribesman he killed he had to sacrifice two Italian soldiers in battle or to disease.

A good deal of the difficulty in Libya has been due to the excellence of the natives at guerilla warfare and also to their congenital resistance to African climatic and economic conditions. These same considerations will apply to the Ethiopians, who are superior fighters to the Libyans. All foreign military representatives have marvelled at the Ethiopians' marksmanship, obedience, ferocity, and uncanny feel for group movement. Their signal system is the most primitive and yet extremely effective. The less they have learned of European methods of fighting, the better will it be for them, for thus they will have saved themselves, as Captain Liddell Hart has pointed out, from "tactical arthritis."

There are, finally, the questions of water and communications. The supply of drinkable water in Ethiopia is limited. The natives can get along with very little water, as Wehib Pasha, the Turkish general, has pointed out, but the Italians will need what they were accustomed to. To get it the army will have to build pipe-lines into the Ethiopian desert, an expensive and almost impossible task from the point of view of topography. Or else the soldiers will have to be supplied with filters, which are also very expensive, and in the present state of

Mussolini's finances practically out of the question.

The matter of communications is equally important. There is only one railroad track in Ethiopia, and the Italians are still far from it. Should they capture part of it, the communications problem would still remain along the rest of the front, and already the Italians have learned that the very same sand and marsh into which many of their bombs have sunk without exploding will also not permit tracks to be laid across them.

All this assumes that the world will sit by and watch the conflict, but the probabilities are that the League of Nations, at least England and France, will do something. If the English block passage through the Suez Canal, either openly or by naval threat from a base near the mouth of the Canal, the supply of ammunition and foodstuffs for Mussolini's troops will automatically be closed, or Italy will have to declare war on England. In either case the Duce will be done for. If the French really go through with their threat of invoking sanctions, the chief source of Italian coal will be closed, and without coal Italy cannot fight, for she has almost no oil reserves of her own.

The reasons for French and British concern are plain enough. Should Italy conquer Ethiopia, the English colonies along the Suez Canal and the route to India would be endangered, and there would be the very serious possibility of an alliance between victorious Italy and the shaky Anglo-Egyptian Sudan. There is also the matter of Lake Tsana, the source of the Blue Nile. The chief uneasiness of France is over her possessions in Tunisia, which Italy has for long claimed to be hers "by historical right."

The French and English talk of guaranteeing the territorial integrity of a League member is, of course, blarney. China was also a League member when Japan stole Manchuria. The difference, it need hardly be said, is that French and British capital had little at stake in Manchukuo, while they have a great deal at stake in Ethiopia.

The irony of it all, from the diplomatic point of view, is that when Ethiopia applied for League membership in 1923 both England and Italy protested, while France strongly urged acceptance. Two years later the first two powers signed a secret agreement dividing up Ethiopia into distinct spheres of influence. In other words, England, which had been working in cahoots with Italy against Ethiopia, has now double-crossed her former partner in plunder. But this is not the first time that England has double-crossed a friend. The very fountain-head of English foreign policy is double-crossing.

Had Mussolini been the good diplomat and publicity-man he thinks he is he would have accused England of being false to her solemn word, instead of howling about his desire for a place in the sun. Haile Selassie has outmanoeuvred him on all diplomatic fronts. By insisting on the sanctity of the League covenant and upon the rights of small nations he has won the sympathy of the whole world. His rights to his throne are pretty shaky and he treats his people with no more humanity than the Italian government treats its subjects in Libya and Eritrea, but he has carefully avoided the discussion of these subjects and has based his

appeals to the world on the high level of peaceful international relationships. Mussolini's repeated references to the barbarism of Ethiopia have only served to call the attention of everybody to his own barbaric treatment of the Italian colonials.

Should Italy conquer Ethiopia, despite all the considerations mentioned heretofore, only God knows what would be the full consequences. There would almost certainly be a European war, with England and France and their allies pitted against Italy, Germany and their allies—for Hitler and Mussolini see eye to eye on most things. There is also the possibility of an African uprising against the white race. We might witness for the first time in human history the strange phenomenon of African patriotism, in which case the Japanese government would very likely side with the Africans.

If the war were confined wholly to the European terrain, there would be the mounting labor discontent to consider. The workers of all the European countries are far more belligerent than they have ever been, and they have had the example of Russia for nearly twenty years. Precisely where Russia would stand and when it would decide upon its stand are at the moment somewhat problematical in view of the new line of the Comintern and in view of the various pacts of the Soviets with several of the capitalist countries. The United States will most surely be drawn into the next European war, whenever it comes, because the next war will, at bottom, be the first great struggle between the socialistic idea and the capitalistic idea.

Should Italy lose the war with Ethiopia Mussolini would probably be destroyed, but what would happen to the Italian people is questionable. The majority of them, as every honest reporter knows, are discontented with the dictatorship, and their discontent has risen to such alarming proportions that Mussolini was forced to try to smother it by embarking on a foreign war—the immemorial last resort of dictators.

But there is no effective radical leadership in the country, and the Italian people are notoriously inept at organized politico-economic agitation. In the past they have nearly always followed the most gaudily dressed piccolo player. Whether or not the example of Russia has taught them anything remains to be seen. Whether or not they will follow the example of our own democracy also remains to be seen. They have suffered the most abject slavery during the past fourteen years, and the logical way of redemption should be obvious to them. But if they take that way, will England, France, and Germany leave them in peace? Or will they swoop down upon the country and partition it into "spheres of influence?"

HITLER once again shows his megalomania by claiming to have alone stopped the rising tide of communism. What of Mr. Simeon Strunsky on the editorial page of the New York Times?

THE perfect example of the radical-in-office in America is Governor Earle of Pennsylvania, friend of labor and Anthony J. Drexel Biddle, Jr.

BOOKS

by Charles Angoff

An Honest Story Teller

FLOWERING JUDAS AND OTHER STORIES, by Katherine Anne Porter. \$2.50. Harcourt, Brace & Company: New York.

ALL contemporary American short stories suffer from lack of size, and most of them also suffer from lack of truth. One would be inclined to conclude, from the character of the best selling stories nowadays, that the quality most desired at the moment in our short fiction is plausible fraud. The people who write this shoddy, like John O'Hara and the later Faulkner and Hemingway, seem to cherish the illusions that there is salvation in physical heroism and that all the problems of the world are disposed of in bed.

It is therefore a great pleasure to come upon an author of such obvious maturity and unimpeachable honesty as Miss Porter. The immemorial bewilderments of the heart are her chief topic, as they should be those of every genuine writer of fiction. She knows what every woman deep down in her heart knows, namely, that love at its most magnificent is love across a living room at nine in the evening, and that infidelity is the greatest of all crimes. She also knows what every man deep down in his heart knows, namely, that the devil sings the best tunes.

Her present book consists of a reprint of a volume of the same title first issued five years ago, together with four new stories. Altogether there are ten stories. Naturally, they vary in quality. Six of the stories—"Rope," "Magic," "He," "Theft," "Flowering Judas," and "Hacienda"—represent Miss Porter's less successful efforts. They are expertly written, full of a fine warmth and sympathy for the vagaries and torments of genuine affection, but their insight, in the end, is little better than commonplace. "Rope," which deals with a petty squabble between husband and wife who quickly make up, and "Magic," which describes briefly the power of magic in a brothel, are not much more than movie scenarios, but Miss Porter's unshakable honesty in handling even the most banal impulses and the lowliest credulities lifts them to fairly readable performances.

The same can be said for "He," which has to do with a mother's hysterical solicitude for her imbecile son. There is not a maudlin line in it. "Theft" and "Flowering Judas," the one taking place in New York and the other in Mexico, portray very delicately the emotional befuddlement of two young women who are immersed in the world of affairs, and yet are not at home in it. "Hacienda," perhaps the feeblest story in the book, is a long exposition of the Mexican people in terms of the troubles of an American movie company making a picture of the country. It is sloppily put together, and it reads more like meandering table-talk than carefully thought-out fiction.

There is another story, "That Tree," which in general tone belongs to the class of those already mentioned, but is far superior to

them. It is the story of the woman who comes back. It is a simple, almost banal tale, but in brief space and with barely a false note it gives the complete history of a young woman's education in human charity and in the realization that at bottom love is a mutual recognition and acceptance of common weaknesses.

The three best stories in the book are "Maria Concepcion," "The Jilting of Granny Weatherall," and "The Cracked Looking-Glass." Maria Concepcion was married in a church, which made a lady out of her. She catches Juan in the act of infidelity, and her whole world collapses. She kills Maria Rosa, her understanding neighbors stand by her in court, and Juan is overwhelmed by her devotion. But while she is immensely grateful for her new lot, he can't help looking upon the whole episode as somehow unreal, and his sole reaction is to forget about his wife and his late mistress and fall asleep. Which is as inscrutable Providence seems to have ordained it.

"The Jilting of Granny Weatherall" is a superb study of a woman's delirium of death. The pain of George's jilting of her in early youth torments her. "She could not remember any other sorrow because this grief wiped them all away. . . . I want you to find George," she says to herself in her last fever. "Find him and be sure to tell him I forgot him. I want him to know I had my husband just the same and my children and my house like any other woman. A good house too and a good husband that I loved and fine children out of him."

But easily the very best story in the book is "The Cracked Looking-Glass." It is a sympathetic yet merciless portrayal of woman as cheat and liar. Rosaleen is Dennis's second wife. Both are long past middle age, and he is much older than she is and devoid of his manhood, but she plagues him with her talk about dancing and her gabbiness with whatever man comes to the house. She is also forever dreaming strange dreams, the dreams become truth to her, and Dennis knows her for the liar she is. She carries on so with her lies and her gabble that the neighbors think she is a loose woman, which she is not.

It finally occurs to her that she is making a pathetic spectacle of herself, and she decides to end her days in peace with her husband. He is bewildered yet attracted by her, and she is completely lost in the trap of reckless imagination which torments her small, rubber soul. In describing her Miss Porter has betrayed her sex, and thereby achieved one of the most powerful stories in contemporary American literature.

Miss Porter is one of the few short story writers who seem to have the wind it takes to write a novel. But whether she writes a novel or not is really of little importance. There is nothing disgraceful in confining oneself to the short story. Chekov, in straight prose, wrote only short stories, and he is still remembered in large part for his fiction. Miss Porter is no Chekov, but if she continues writing stories of the same honesty, warmth, insight, economy, and precision as the best ones in her present collection, she will be remembered long after the popular frauds of the moment are forgotten. Already she has made all the white hopes of New York look like pismires.

The Lee Family

THE LEES OF VIRGINIA, by Burton J. Hendrick. \$3.75. Little, Brown & Company: Boston.

RICHARD HENRY LEE moved the Resolution of Independence, two Lees signed the Declaration of Independence, "Light Horse Harry" Lee performed notable service during the Revolutionary War, Robert E. Lee led the Confederacy in the Civil War. Fitzhugh Lee was a major-general in the Spanish-American War—in short, the name of Lee has appeared in almost every historic public event in the United States during the past 150 years. Next to the Adamases of Massachusetts, the Lees of Virginia have been the most notable family in our annals.

The two families differed in many respects. The Adamases were learned, cantankerous, conservative in politics, democratic in manners, and imbued with an overwhelming sense of the utter seriousness of life. The Lees were at best dilettantes, conservative in both politics and manners, and they looked upon life as a well-ordered and elegant picnic. General Robert E. Lee, true enough, talked a great deal about duty, but all it meant to him was a gentlemanly relationship between man and man, and not a violent passion with regard to the entire human race, the universe, and God. Both families have passed into oblivion. Fitzhugh Lee was the last Lee of any consequence, and the present Adams was a standard joke in Washington while he was Secretary of the Navy in President Hoover's Cabinet. Mr. Hendrick's book is the most complete story of the Lees in print. It is a good straight piece of reporting, with, fortunately, little philosophizing. Mr. Hendrick's past attempts at philosophizing, as in his books on Walter Hines Page, were not encouraging.

A New Force in American Politics

ROME STOOPS TO CONQUER, by E. Boyd Barrett. \$2.75. Julian Messner: New York.

FROM a politico-sociological point of view this is the most important book Dr. Barrett has written to date. The Catholic Church in the United States, he points out, is now richer, more highly organized, and more influential than ever before. It is rapidly developing a powerful Catholic Action, it is strengthening its press, and it is tightening its grip upon an increasing number of governmental functions. As a result, it will probably soon achieve the status of a mighty political force, with the inevitable consequence, as the contemporary history of Austria shows, that the old American principles of democracy and the freedom of conscience and worship will suffer greatly.

Pope Pius XI is very solicitous about the welfare of his church in this country. In Europe the historical trend has been away from domination of the clergy of all denominations, particularly the Roman, and the struggle for a second Holy Roman Empire appears hopeless. America is thus the last stronghold of Catholicism. As Dr. Barrett says, "Were Rome to fail to dominate American thought and . . . lives, her civilization, her moral code, all her glorious incredible dogmas would perish from the earth."

Dr. Barrett's book deserves the very careful study of all realistic students of the times.

THE CENTRAL BANK FOLLY

(Continued from page 9)

loaning \$100 had to have \$10 in cash reserves. Thus the transaction created \$90 of credit currency.

It is now clear that to control the ability of banks to make loans—and so create credit currency—it is necessary to control the amounts of their reserves. Such control has hitherto been vested in the benign hands of the bankers, through the Federal Reserve System. This consists, first, of the twelve regional Federal Reserve Banks (not commercial banks at all, but quasi-central banks, or cash currency reservoirs) and, second, of the Reserve System member banks, which are the commercial banks that make loans to business men. As a sort of government policeman over the system there is the Federal Reserve Board, but up to now its powers and accomplishments have been slight. The new act will greatly increase those powers and, through fourteen-year terms of office and \$15,000 salaries, will probably insure in the board a relative minimum of the odor of hack politician. But this remains to be seen.

The original Eccles bill gave the Reserve Board control over the system, lock, stock and barrel. It gave the board the three chief instruments of credit control—the three instruments for regulating the reserves of member banks—viz. (1), the power arbitrarily to change the legal reserve requirements (now, as just stated, about 10%), (2), the power to dictate "open market operations" of the twelve Reserve Banks, and (3), the power arbitrarily to fix the "re-discount rate." The first of these is self-explanatory and, as will be shown, towers over the second and third, which are means of changing the amounts of reserves.

In open market operations the Reserve Banks buy and sell government securities (and also what are known as bankers' acceptances) from and to the member banks. When a Reserve Bank buys a \$1000 government bond from a member bank, the member bank gets a check from the Reserve Bank for \$1000, which is equivalent to cash currency and potentially can be used for the creation of \$9000 of credit currency. Conversely, sale of government bonds in the open market decreases the cash reserves of member banks. The rediscount rate is the interest rate charged by the Reserve Banks for taking over commercial loans made by member banks, as well as for direct cash loans to them. A low rate will induce member banks to discount loans and will thus tend to increase their reserves. It can now be seen that the second and third powers change the amounts of reserves of the member banks and consequently their ability to grant loans, provided the legal reserve requirement remains fixed. Per corollary, it can be seen that the power arbitrarily to fix the reserve requirement dwarfs the other two powers.

The original bill would have enabled the Reserve Board, if it chose, to fix the reserve requirements at 100%, thus practically taking over the banking system. In addition, the board could have ordered open market purchases direct from the Treasury. This provision would have eliminated any possibility of a "bankers' strike," and would have given

the government unlimited resources in time of depression—wherewith to implement the second part of Eccles' theory.

The New York bankers, who have always dominated the Federal Reserve System, were outraged at such communism, and consolidated their Washington lobby for a finish fight. Headed by Winthrop W. Aldrich, chairman of the Chase National Bank, and Russell Leffingwell, Morgan partner, and assisted by Senator Carter Glass, the Du Ponts' Townsend, and the pimp press, the lobby did a characteristically good job.

In the final legislation, the board is allowed only to increase the reserve requirements up to double their present amount, and is not allowed to lower them. The provision for direct purchase of Treasury bonds is stricken out. The board has full power over the re-discount rate (the weakest of the three credit levers), but the open market operations are to be determined on by a special committee, consisting of the seven members of the board and five bankers.

What is the net result of all this? It was testified before the Senate Banking Committee that "the hand that holds the purse strings rules the roost." The bankers still hold the purse strings, for the government must wait upon their pleasure in borrowing money, through the prohibition of open market purchases direct from the Treasury. Eccles, a sincere and capable man, is thus left with only a weak central bank setup, and he will lose this if the President decides to "be fair to both sides," and appoints three or four bankers to the Reserve Board.

Let us, now, suppose that drastic alteration of the reserve requirement isn't necessary, that the Reserve Board will be composed of men who are not merely office boys of Mr. Morgan, and that Eccles will control the open market committee, which will be smiled on by God and President Roosevelt, and which will convert the Reserve System into as well-oiled a central bank as one could ask for as a means of increasing the total supply of bank check money. What then?

The most that can happen, so far as the efforts of the central bank go, is that reserves of member banks will increase, enabling the banks to make loans and expand credit currency. With this in mind, look in your paper next Friday morning for the weekly Federal Reserve statement. There you will find that, through gold imports and Reserve Bank purchases, excess reserves have piled up to the extent of almost \$3,000,000,000—more than enough to enable the banks to expand credit currency up to the 1929 total. In other words, the central bank theory, in respect to reflation, is proved hooley.

There remains the possibility of a too-rapid boom, such as occurred in 1928-1929. To curb this, even a banker will admit, is practicable, for, obviously, the process amounts to nothing more than the application of restrictions. It does, that is, if those with the responsibility have the political guts to discharge it. Yet there is nothing in the new banking act which makes it mandatory on the Reserve Board or the open market committee to step in and swing an axe when an inflationary boomlet passes certain specified limits.

The New Deal had a shining opportunity here to safeguard the people against their own speculative greed. And it muffed it.

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CONSEQUENCES OF THE NEXT WAR

(Continued from page 1)

mar Schacht, financial dictator of the Nazi régime, has already made much progress toward placing the German economy on a war basis.

Against a united front of all Europe the matter of financing Germany would be a difficult problem, although not insoluble. But there is no reason to believe that Germany will face a united front of all Europe. Both the United States and England have large credits immobilized in Germany today, and are interested in being repaid. Apart from the assistance Germany may count upon from outside she may, for example, raise a considerable fund in the United States by the sale of coveted industrial patents perfected since 1917. Theoretically, a country like Germany would face a shortage of cotton, rubber and petroleum, but the experience of the last war has led all European nations, Germany included, to maintain huge stores of such commodities sufficient for five years or more of large-scale warfare.

Aside from the gold and credit balances the Old World has one tremendous asset which would raise money in the American market. The asset is simply the European art treasures, as negotiable as a valid letter of credit. At the first indication of a military deadlock Europe would begin cashing in this art heritage. Toward the end of the last war it was suggested in this country that Europe divest itself of publicly owned art to pay for war purchases; indeed, much privately owned art did find its way into the hands of eager Americans. It is significant that through the past summer Germany has been conducting a vast and systematic inventory of its art treasure. Does this mean that the Nazis have suddenly become interested in art?

But the salient characteristic of Europe on the eve of a new war, a characteristic that optimistic observers such as Mr. Flynn fail to consider fully, is that Europe in a new war would require less external credit than she required in the last war. The reason is simply that the industrial preparation for the next war has, since 1919, been much more intense than in the years preceding 1914. Behind the shelter of tariffs every European nation has been building war industry plants and has been storing all the necessary raw materials. *The next war has been financed already, and it has been done by means of American loans for "post-war reconstruction."* Most of these loans are in default, but the industrial plants they created are operating.

Moreover, the economics of war-time production has been shifted to a less expensive base than in 1914-18. Cheap chemicals, light aircraft materials, and aluminum will play as great a rôle in the next war as expensive steel played in the last. It is, therefore, fallacious to assume that Europe's credit structure cannot support another vast and destructive conflict.

When Europe begins the war all the talk about neutrality and embargoes in this country will terminate quickly. It will be a case of "business as usual." The United States will first sell goods to the belligerents and then will, perforce, enter the war on one side.

(Continued on next page)

The Horrors of Modern War

A graphic, documented, detailed article describing how men die individual deaths in battle

THE DIGEST AND REVIEW publishes in the December issue *The Horrors of War*, an article of extraordinary importance to every man, woman and child in the United States.

The article has been written exclusively for DIGEST AND REVIEW. It is the result of long, painstaking research. It concerns a problem which is primary in the minds of all of us. There can be no question that the furore aroused by this essay will have far-reaching results, may, in fact, vitally alter the destiny of American policies.

The Horrors of Modern War is the story of War. Not the war that we see in the movies. Not the war that newspapers write about. Not the war of patriotic organizations. This is the war of men who died in it. This is the story of their individual deaths. It tells of their minutest agonies when hit by new-type bullets that explode when they strike the victim, mangling and irreparably shattering a radius of six inches of flesh and bone; and of incendiary bullets that set fire to the clothing and make of a human being a charred hulk resembling a burnt log. It tells of noses sawed off, and of bodies—live bodies—dangling by a piece of gut. Of funeral pyres whose fuel is living civilians. Each shriek, each stench, each pain, is documented.

Perhaps the article is "too strong." Perhaps you will not be able to stomach this cool summary of death in its various forms. But this is not the time for compromise. Better that disillusion shall come before a war than with it.

The manuscript of *The Horrors of War* was presented to several American editors before publication. They have been united in calling it the grimmest, but at the same time the most vivid document of its kind ever written. It will appear in no other American publication.

Other Features

An article by Major General Smedley D. Butler—"Who Are the War-Makers?" reveals what goes on behind the scenes in the army. General Butler mentions names when he states how the army is preparing fascism for the U. S. Exposes the role of General MacArthur in getting the biggest appropriation in history for the army—and rendering the army useless at the same time.

Heywood Broun tells what he thinks of radio, radio sponsors, and their methods. "A sponsor," says Mr. Broun, "is a man who thinks that toothpaste can be made a thrilling theme for listeners." The article is full of laughs and sound advice to the moguls of radio.

Why Fiction Characters Are Fakes.

An author reveals the sad conditions under which he must write—conditions which stereotype both him and his characters.

What America Is Thinking—by James Rorty—a poet-reporter tells what he heard and saw on one of the most eventful trips any man ever made through the U. S.

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(Continued from preceding page)

The United States may keep out of the war for a time, as it did during the last conflict, and enjoy a brief industrial boom. But as European purchasing power diminishes the boom will end.

At this point the situation will be crucial for the ruling financiers of the United States. Verbal isolation will be discarded by Washington as quickly as it was in 1917. Theoretically it would be possible for the United States to remain out of the war, but continued non-participation in a war which had disrupted normal world trade would bring a long train of banking, commercial and industrial disasters. European credit would be exhausted by this time. From the standpoint of the dominant financiers, the United States as presently constituted could not afford to see the war continue indefinitely. We may be sure they would not acquiesce in any scheme to have the government take over and operate industries which were failing.

If the United States stayed out of the war and attended to its own domestic crisis flowing from the war-time stimulation and subsequent derangement, Europe could go on and work itself into a situation paralleling that which existed at the close of the Thirty Years' War. Europe does not have to wage a war at the maximum of efficiency, as some deluded observers assume. But even such a development would be disastrous for the United States, for it would mean that the major half of the world economy was flagellating itself to death, and our own economic situation would be in a tight fix.

However, there is no reason to suppose that the United States will stand aside and permit all its foreign customers to kill each other. If the United States enters the war, to bring about a "quick decision" and to "save civilization," the internal condition of boom will be somewhat prolonged, the final collapse will be delayed. The prolongation of the boom will produce various economic novelties. There will be a gigantic cartelization of all industry under government auspices and small business will simply be squeezed out of existence entirely. There will be a great increase in the mechanization of agriculture and, owing to the impoverished condition of the farmers, one may expect emergency farm corporations to be established with private and public capital. These corporations will undoubtedly operate canning factories as adjuncts, and may even be integrated with existing grocery chains as huge food trusts.

The induction of millions of men into the military services will make necessary even greater economy in the use of labor and will prepare further unemployment problems for the end of the war; mechanical devices for production will be refined to a degree unforeseen even today and, indeed, thousands of them which are now deliberately kept off the market by big corporations will be released for war service. In 1918 the railroad system was very nearly breaking down, food was rotting at many terminals because it could not be moved. In the next war this collapse will not necessarily take place because of the increased utilization of the automobile and airplane. There will be more bus and truck traffic; soaring prices and taxes will probably make it more difficult for individuals to own automobiles.

A significant result of the war will be a much greater standardization of all commodities. There will be a greatly restricted consumer choice in styles, types and models of all goods. The rentier class (bondholders, savings bank depositors, insurance policy holders), moreover, will be virtually ruined in the depreciation of the dollar which would certainly result from the war. Taxes will be enormously increased over their present-day swollen proportions and there will be a great decline in the aggregate of small property holdings by individuals. The middle class will be practically wiped out in an economic sense.

The war will increase the population of the cities as the farms become more highly mechanized and the factories appeal for workers at "high" wages. Already there is available an efficient mechanical cotton picker, which can displace much labor in the cotton fields. The flood of people into the cities will create a tremendous housing problem, which will be "solved" by the erection of large barracks for workers. These will be found defective and either demolished or reconstructed at great expense. The defects will not be the result of technical ignorance or cruel profiteering necessarily, but of the feverish tempo required for the work.

The return of the troops after the war will face the authorities with another problem. Very possibly, there will be no general demobilization, as after the last war. To add the soldiers to the horde of unemployed would merely be to throw kerosene on the fire of inevitable social unrest. This problem can be "solved" by retaining a large standing army as a domestic peace force, the soldiers being relatively well treated and in this way set apart from the industrial population. City life will be very congested; unrest will be prevalent; but the army will have the situation "well in hand."

The principal political result of the war will be the gradual creation of a strongly centralized government with a highly developed bureaucracy supported by a large permanent standing army. All the emergency provisions introduced during the war will be retained, unlike the procedure following the last war.

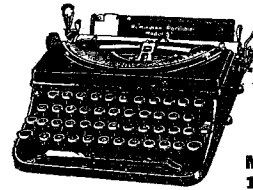
As post-war production slacks off the government will be faced with a grave economic crisis devoid of the compensating features such as materialized in 1919. In the first place, Europe will be a very poor place for investment. Some of the new European governments may even be hostile to the United States. Some may be communistic.

The economic development of Latin America may be attempted on a large scale, but in that part of the world there are natural limitations such as climate and altitude. However, a drive toward Latin America may easily be the result of the post-war stagnation. Too, there might be a union of the United States and Canada as a result of the war, but this would depend, of course, on the post-war status of England, with revolt undoubtedly blazing in nearly all her colonies. But all this could not save the United States from economic prostration along with Europe.

Survival would eventually be effected, of course, but under heavy difficulties. Radicalism in politics would receive a significant impetus. Some of the Northwestern farm

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states might even revolt and a condition bordering on civil war would at least be possible as regional interests refused to bow to the new Wall Street cartels and the fresh group of new millionaires.

It cannot be asserted that a new European war with the United States participating will bring about all these results at once or will bring them about in just this pat fashion. I am outlining only general probabilities based on sound economic principles. If anything, I have been extremely conservative in visualizing the possible world effects of a new war, which might conceivably result in thorough revolution on an international scale. But even though the war does not directly bring forth an international social revolution, it will establish the preliminary conditions for it, because the impoverishment in the daily life of the multitude will be unprecedented and virtually unbearable.



BEYOND SHANGHAI

FRANCIS WOODWORTH

"Arrive Shanghai on tide." Thus read the steamer schedules. And day after day boat-loads of travelers, having crossed from Japan via the Yellow Sea, the Yangtze River and the Whangpoo River, arrive with the tide and pour ashore onto Shanghai's Bund for two days, or two weeks, or two months of sightseeing. They head for the big hotels and swanky clubs. They go bargain-hunting in Nanking Road, stroll through the Native City, and perhaps motor to the outskirts, to Lungwha Pagoda or the Woosung Forts. They spend a lot of time finding out for themselves whether the night life is as gay as they have been told, and they usually find that it is. Then, having prolonged their stay to the last possible minute, they sail away, believing that they have seen China.

If you see Shanghai you see one of the most fascinating cities on earth. But you don't see China. Shanghai is a potpourri of Paris, London, New York, and Tsarist Moscow—in an Orient setting. To see the real China, as it is and as it has been for thousands of years, you must travel beyond, to one of the ancient centers of the "Middle Flowery Kingdom."

Fortunately, this is very easy to do. Just one hundred and thirteen miles southwest of Shanghai lies Hangchow, a city that is second in interest only to Peiping (Peking) and only one-eighth as far from Shanghai. You can go there by through express, cheaply and quite comfortably, in less than six hours.

As early as 2000 B.C., when Peking was a mere frontier town, Hangchow was an important city. Its site is one of the loveliest in all China. On one side is the celebrated Si-wu or "West Lake," one of Marco Polo's favorite spots. On the east is the mile-wide Tsientang River, flecked with the white sales of junks. A range of rolling hills, dotted with temples and pagodas, stretches away to the southward; while on the north is a vast fertile plain intersected by countless canals and covered with rice fields and cotton plantations, through which you pass on your way down from Shanghai.

When you arrive at the big modern railway station in Hangchow, then proceed to your hotel through up-to-date paved streets crowded with auto-

Cruises and Sailings from American Waters

October 22 to November 15

This sailing list is published by the Advertising Department of THE AMERICAN SPECTATOR as an aid to readers contemplating a sea voyage. Routes as well as sailing dates are subject to change and cannot be guaranteed. Before plans are concluded, consult The American Spectator Travel Bureau.

Regular Cruises from New York

Oct. 22, 1935—QUEEN OF BERMUDA	7 days
New York, Bermuda, Nassau, New York	
Oct. 24, 1935—PETEN	17 days
Havana, Kingston, Cristobal, Pt. Limon, Cristobal, Havana	
Oct. 24, 1935—COAMO	11 days
San Juan, Domingo City, San Juan	
Oct. 24, 1935—HAITI	18 days
Pt. au Prince, Kingston, Pt. Colombia, Cartagena, Cristobal, Kingston, Pt. au Prince	
Oct. 26, 1935—ATLANTIDA	13 days
Santiago, Kingston, La Ceiba	
Oct. 26, 1935—TOLOA	18 days
Kingston, Cristobal, Cartagena, Pt. Colombia, Santa Marta, Kingston	
Oct. 26, 1935—ROSALIND	12 days
Halifax, St. Pierre, St. Johns, Halifax	
Oct. 27, 1935—LADY NELSON	28 days
Bermuda, St. Kitts, Nevis, Antigua, Montserrat, Dominica, St. Lucia, Barbados, St. Vincent, Grenada, Trinidad, British Guiana and return via same ports	
Oct. 29, 1935—QUEEN OF BERMUDA	7 days
New York, Bermuda, Nassau, New York	
Oct. 31, 1935—VERAGUA	17 days
Havana, Kingston, Cristobal, Pt. Limon, Cristobal, Havana	
Nov. 7, 1935—QUEEN OF BERMUDA	7 days
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" 24 Peten	" 31 Veragua	" 7 Ouirigua
" 24 Yucatan	Nov. 2 Pennsylvania	" 13 Oriente
" 26 Oriente	" 2 Oriente	" 14 Peten
" 31 Orizaba	" 7 Siboney	" 14 Pres. Johnson

New York California Sailings

Via Panama Canal

		Days to Last Port	
Oct. 24 Thur.	Pres. Wilson	17	Havana, Pan. Can., Los Angeles, San Francisco
" 26 Sat.	Santa Elena	17	Pt. Col., Cart., Pan. Can., Los Angeles, San Francisco
" 31 Thur.	Pres. Hayes	19	Havana, Pan. Can., Los Angeles, San Francisco
Nov. 2 Sat.	Pennsylvania	16	Havana, Pan. Can., San Diego, Los Angeles, San Francisco
" 7 Thur.	Pres. Cleveland	17	Havana, Pan. Can., Los Angeles, San Francisco
" 9 Sat.	Santa Paula	17	Pt. Col., Cart., Pan. Can., Los Angeles, San Francisco
" 14 Thur.	Pres. Johnson	19	Havana, Pan. Can., Los Angeles, San Francisco

WHEN PLANNING A TRIP

consult the Travel Bureau maintained by THE AMERICAN SPECTATOR for the convenience of its readers. Educational tours will be arranged for groups interested in the study of economics, social welfare, art, music, etc. If you want to visit Europe with congenial people at moderate expense send for illustrated booklets.

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mobiles, you find it hard to believe that you are in one of the oldest centers of Chinese culture, in a city that was China's capital eight hundred years ago. You begin to realize the antiquity of the place and to understand why many Chinese love it more than all their other cities, only when you leave the modernized quarter and take a 'rikisha along the lake shore towards the old stone pagoda famous subject of landscape scenes.

Probably you'll need a guide (you can get one at the hotel), for there is a bewildering variety of things to see, and many of the most interesting places are reached only by footpaths. There is the Pearly Spring of the Dancing Fish, for instance. This is a temple with a large pond full of big golden carp. They don't exactly dance for you, but now and then one leaps above the surface, and the friendly priests will tell you it is dancing.

One of the most delightful excursions in Hangchow is the trip by sampan across the clear, shallow waters of the lake to the celebrated little island where the Willow Pattern story is supposed to have taken place. There is a Willow Pattern Teahouse in the Native City of Shanghai, but the Hangchow people will tell you that theirs is the true original. The island is like a miniature atoll, with bright green willow trees all around the edge, and a lotus pond forming the center. A zigzag bridge (designed to foil the evil spirits, who can travel only in a straight line) leads to a pavilion shaped like a giant swastika. Here you can sit and drink jasmine tea while you gaze out over the gorgeous lotus blossoms. Then, rejoining your boat-girls, you continue on to Woo-sing-ding and the historic Imperial Island.

For the shopper, Hangchow is a treasure house, especially in these days when the exchange rate makes the American dollar worth so much in the Orient. For centuries Hangchow has been a center of high-grade silk production.

If you're going to China and want to see China, stop over and spend three or four days (or as long as you can) in Old Hangchow. The night clubs and cabarets of Shanghai will thrill you, but in Hangchow you'll find a totally different thrill. You'll see the mystic East that you have read about. You will sense its age-old tranquillity, and some of this will remain a part of yourself ever after. (Courtesy Dollar Steamship Line)

NOTES ON THE CR STRIKE

By JAMES RORTY

FROM the point of view of persons genuinely interested in organizing consumers—an enterprise made the more imperative by the collapse of the Roosevelt administration's make-believe attempts to do something for the consumer and the progressive squeezing of the American masses between the government attacks on the wage structure on one hand and rising prices and sales taxes on the other—few episodes in recent history have been more unfortunate than the strike at Consumers Research.

Any attempt to say what is the matter with Consumers Research necessitates some critical speculation as to what is the matter with F. J. Schlink. This is because Schlink has given the determining coloration to his so-called movement. Both the initial success and the present disaster which has befallen CR are largely attributable to certain admirable qualities and certain exasperating defects in its president.

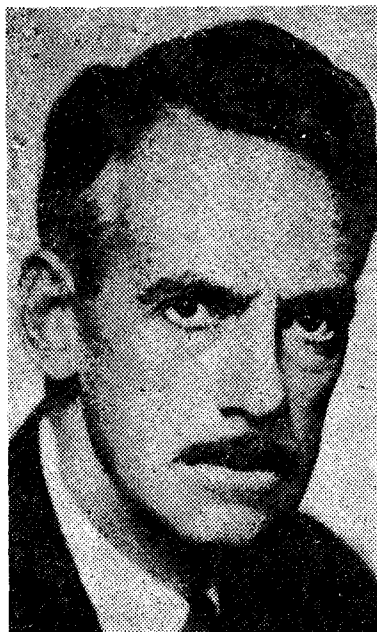
The qualities are financial and scientific integrity, an extraordinary if somewhat neurotic energy, a generally conceded technical ability, and a capacity for analyzing and exposing the surface abuses and absurdities of our limping social order in the field of distribution.

The defects are, first, a humorless and somewhat pharisaical conviction of his own special Grace and Election. A corollary of this conviction is Schlink's intense suspicion that the world is full of crooks and that practically everybody is out to get Schlink and Consumers Research—the identification is complete in his own mind and by this time substantially so in fact.

But always, in upsets of this kind, there are more fundamental explanations of the trouble, and Consumers Research is no exception. In this case it seems clear that CR has always been potentially in a bad way, first because its basic organization was ill-conceived since it gave the subscribers no means of control, and second because CR's policies and programs never got far enough to make any kind of fundamental economic or social sense. CR is not a coöperative and is not affiliated with the Coöperative League of America. Neither has it any connection with the labor movement.

As far back as 1930 Mr. Schlink was urged vainly by the writer and others to expand CR's service into the coöperative mail order field along the lines later developed by Coöperative Distributors. The later organization was formed in 1933 by E. J. Lever, formerly vice-president of Consumers Research, and Milton Wend, formerly employed by the United States Bureau of Standards.

It is in this context—the total context of the labor union and coöperative movement—that the present difficulties of Consumers Research and their solution must be considered. One hopes that the present Board of Directors will permit or encourage the independent organization of the subscribers, and that the subscribers, in the process of salvaging their organization, will establish new and constructive policies of coöperation both with labor and with the coöperative movement as a whole.

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There are many: first, book-dividends; for every dollar its members spend on books they receive back on the average over 50% in the form of free books. Second, without a penny of expense, through the reports of the judges you are kept completely informed about all the important new books, so that you can choose among them with discrimination, instead of having to rely upon advertising and hearsay. There are several other advantages, not readily measurable in money, that cannot be outlined here for lack of space. Surely, within the next year, the distinguished judges of the Club will choose as the book-of-the-month or recommend as alternates, *at least a few books* that you will be very anxious to read and which you will buy anyway. Why not—by joining the Club—make sure you get these *instead of missing them, which so often happens*; get the really substantial advantages the Club affords (such as the book-dividends mentioned, if nothing else), and at the same time get a copy of *NINE PLAYS* by Eugene O'Neill, free.

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